#2

~~TOP SECRET~~ [redacted]

1.5(c)
3.4(b)(1)

CENTRAL INTELLIGENCE AGENCY
WASHINGTON 25, D. C.

Shown to the President by Gen. Smith 10/20/50.

20 October 1950

MEMORANDUM FOR THE PRESIDENT

Since October 13th, there have been indications of a possibility that the Chinese Communist Government may intend to occupy an area which would secure for their use the Suiho hydroelectric plant and other strategic installations on the Korean side of the Korean-Chinese border. Some of these indications are:

1. [redacted]

1.5(b)(c)
3.4(b)(1)
(3)(6)(9)

2. [redacted]

1.5(c)
3.4(b)(1)

3. [redacted]

1.5(c)
3.4(b)(1)

The estimate on possibility of Chinese Communist intervention in North Korea furnished you just prior to your Pacific trip, listed as one consideration the probable desire of the Chinese Government to control the hydroelectric installations on the Korean side of the Yalu River. It is possible that a limited area occupation for this purpose might be undertaken. If so, it would most probably be preceded or immediately followed by a Peiping announcement (perhaps directed to the United Nations) that in order to protect border installations vital to Manchurian economy, the Chinese Communist forces had taken over these installations pending stabilization of the area. Such a move would be a Communist face-saver and would preserve a power source very necessary to Manchurian economy.

Walter B. Smith

WALTER B. SMITH
Director

APPROVED FOR RELEASE
28 AUG 1997

1.5(c)
3.4(b)(1)

~~TOP SECRET~~ [redacted]